

March 25, 2004

Father of nanotech rebuffs NVE's nanotechnology claims.

Prior to July 25, 2003 NVE Corporation (NASDAQ: NVEC, \$47.15) had not claimed in any press release or Securities and Exchange Commission ("SEC") filing that it was involved in nanotechnology. On July 25, 2003 NVE issued its first press release with the vague claim that "MRAM is fabricated using nanotechnology." That was the first public mention of the term "nanotechnology" by NVE in a press release. NVE's stock was just \$6 per share the month before NVE started making its nanotechnology claims. NVE later added more nanotechnology claims.

These claims begin just after NVE was added to the Forbes/Wolfe "Nanosphere," a collection of stocks to buy, according to this newsletter.

An April 30, 2001 Forbes Global article titled "Total Recall" states that "Current DRAM capacitors are 0.18 microns wide; the sandwich in Motorola's best MRAM is three times as large. The article also states "Motorola's MRAMs can hold only 256,000 bits; the newest DRAMs will hold 256 million bits per chip." DRAMs are 1,000 times denser and are not consider nano.

Dr. K. Eric Drexler is the author of Engines of Creation, a book published by Anchor Press in 1986 that introduced the term "nanotechnology." Dr. Drexler recently stated "The meaning of 'nanotechnology' has been stretched to the point of uselessness."

We contacted Dr. Drexler regarding MRAM. He stated "By the standard implicit in the earlier meaning of the term, no product today fully qualifies, and I doubt that this one qualifies at all."

An article in the March 11, 2004 Economist states that Dr. Drexler believes the term nanotechnology "is now being bandied about by every Tom, Dick and Harriet" or in NVE's case its every Dan, Jim, and Josh.

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